
US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: Teradyne Corporation
PARTNER/VAD NAME:

SECTION I - Approval Requests:**REQUEST #3 27-August-2003**

1) Requesting inclusion of standard Electronic delivery language so that customer can avoid sales tax liability. "Upon Customer's request, Oracle shall make such Programs available to you for electronic delivery provided electronic download of such Programs is generally available." This is applicable to OD Section C2: Additional Licenses.

2) Product mix and counts have changed somewhat. Customer has added three HR module line items (irecruitment, iLearning, Training Admin), but lowered amounts of \$MCOGS being bought. List license is lower (\$2,665,000 vs. \$3,035,000), discount is lower (worst case 70%, on the table discount is 65%). Net License is slightly higher with the on-the-table discount. Overall effective discount of 80.3% on License, after taking into account 100% discount on like-for-like items. Net L for the on-the-table deal is \$613K (up from \$591K before changing counts and product mix).

Body of approval has been updated to reflect the new product mix, counts, \$ amounts, and discount.

3) Request HQAPP approval to include "Oracle will obtain prior consent" to the Customer Reference language in the OD.

4) Request HQAPP approval to sell the APS line items which have a \$MCOGS metric for two specific divisions and not for entire company use. [divisions are: Semiconductor Test Division and Assembly Test Division]. \$MCOGS counts for ASCP and CBO will be lower, reflecting the \$200 \$MCOGS already owned.

REQUEST #2: 27-August-2003

Approval chain please note: customer has other issues under discussion and further approvals (consolidated list) will follow after a negotiating round this afternoon, but contracts suggested we send this request up immediately in order to give M&D a headstart on order logistics.

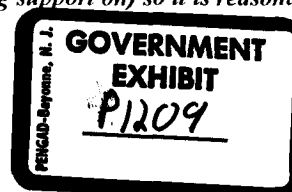
One new request, no other changes to body of the approval.

1) Customer is an existing Oracle Apps customer adding additional modules. Requesting HQAPP approval for Electronic Delivery so that customer can treat the transaction as a non-taxable event from a state sales tax point of view. Customer understands that we remain silent on tax eligibility, and that ultimately the matter is between customer and the Comm. of Mass., but they do ask for Electronic Delivery so they can make the case for themselves.

REQUEST #1: Approved by HQAPP 8/21/03 with the comments below:

This is approved by LJE with the following comments.

1) We want to do the option where we charge them the extra support. We know that we are giving them a higher discount in exchange for replacing psft licenses (of which they are currently paying support on) so it is reasonable for us to capture that



support just as if we were doing a rollin of our own licenses. (Elisa, Tom Olinger has been contacted and is OK with us doing this in some cases. I saw your email and wanted you to be aware that we have run this general scenario by him already. If you have questions, let me know.).

We should be trying to capture that extra support in these situations.

2) We would like wording added explaining they will go off and terminate at lest some of their psft licenses that match up to what we are replacing here.

Tracy Welsh wrote:

Is #2 a requirement? Sales would like to stay slilent b/c Teradyne will need at least the next 6-9 months to implement/switch over to Oracle apps we also don't want to appear that we're dictating to customer whom they can do business with and when they need to cut off their PSFT suppt. How about if we put language in the contract stating that the discts are offered 1x b/c customer's represented to Oracle that they intent to replace PSFT licenses w/like Oracle apps? Amy and I have already talked to revrec and sales about this concept and they were ok if you are.

Tracy - We are OK with the alternate wording you propose below as long as REVREC is. Approved.

Brian.

HQAPP Request:

- 1) This deal is a competitive Peoplesoft replacement along with Advanced Planning modules to extend the customers investment in the Oracle e-business suite. We are replacing Peoplesoft modules HR, Benefits and Payroll with Oracle HR equivalents. The customer is aware of our plans for a like-for-like replacement. Per the new policy, will will provide Psft like-for-like items at an effective 100% license dsct, however support for the like-for-like items will be paid at the deal discounts.
- 2) An effective overall license discount of 83%, 3 like-for-like items at 100% license discount, all other line items at 75% (worst case)
- 3) Support cap at 0% for three years (two renewals), 4% for years four and five

TIER 2Requests:

Price hold for 2 years at 45%, subject to a \$100K minimum net License buy, on the following modules: iRecruitment, Training Admin, iLearning, HR, Advanced Benefits, Payroll, SS HR, OTL, HR Intell, Adv. Supply Ch. Planning, Const Based Optimization, Invty Optimzn, Global Order Promising, Collaborative Planning.

Previously approved requests within same quarter for same deal (include date of approval):

- 1.
- 2.

SECTION II – Deal Summary:

(NOTE – SALES TEAM NEEDS TO REVISIT THE COGS LINE ITEMS. THEY DO NOT MATCH, AS JW POINTED OUT AND THIS NEEDS TO BE FIXED. MAY BE A TYPO ONLY, MAY NEED TO RECALCULATE)

| Deal Summary (modify as deal changes to reflect your worse case) | | | |
|--|-----------------|-------|--------|
| Product Mix: | Human Resources | 6,800 | person |

| | | | |
|--|--|--------|----------|
| | Advanced Benefits | 6,800 | person |
| | Payroll | 5,000 | Person |
| | IRecruitment | 6,800 | Person |
| | Training Admin | 3,000 | Trainees |
| | ILearning | 3,000 | Trainees |
| | Self Service HR | 6,800 | Person |
| | Oracle Adv SCP | \$ 200 | \$M COGS |
| | Constraint Based Optmzn | \$ 200 | \$M COGS |
| | Inventory Optimization | \$ 400 | \$M COGS |
| | Global Order Promising | \$ 400 | \$M COGS |
| | Collaborative Planning | \$ 400 | \$M COGS |
| License Discount | 80.3 % (ebiz + 55.3 %) | | |
| Support Discount | 80.3 % (ebiz + 55.3 %) | | |
| Comp & Admin Discount | N/A | | |
| Phased Implementation for Comp & Admin? | N/A | | |
| Support Options/Holds | 3 yrs from effective date at 0% cap, years 4 and 5 at 4% cap | | |
| Price Holds | 2 yrs at 45% on specific modules | | |
| List License | \$2,665,000 | | |
| List Support | \$586,300 | | |
| List Comp & Admin | N/A | | |
| Net License | \$525,900 | | |
| Net Support | \$ 175,890 | | |
| Net Comp & Admin | N/A | | |
| Net Price | \$ 701,790 | | |
| Price List Used (specific date) | June 30, 2003 | | |

| Migrations | |
|--|----|
| Does deal include migration (y/n) | No |
| Discount on migrated licenses | |
| Migration support - before | |
| Migration support - after | |

| Customer history | |
|--|------|
| Existing contractual discount (price hold) | None |
| Date of Price List for price hold | |
| When does price hold expire? | |
| Price hold program categories (database, server, erp, crm, hr/payroll, app suite) | |
| Name of Agreement, if applicable | |

SECTION III - Justification:

Teradyne is an Oracle ERP and Peoplesoft HR user. Psft's de-support of Psft Payroll 7.5 in April 2004 is forcing Teradyne to upgrade to Psft 8, and customer is evaluating upgrading to Psft8 vs. migrating to Oracle HR/Pay. License cost from Psft is nil, and so I am requesting a relatively deep discount given the level of desperation at Psft, and the un-natural acts they are committing in the field. An Oracle win would knock Psft out of the account altogether.

Teradyne is current on its Oracle annual support fees of \$1.95 million.

Discounts and terms requested above are worst case.

The mgmt approval chain and HQAPP should be aware that customer is requesting a number of terms (see table below) to which we have responded with polite "no's". This tenor of the negotiation is that Oracle is not agreeing to the great majority what Teradyne requests and what Teradyne claims other vendors have provided. (In particular, Teradyne claims Psft permits true downs without support reinstatement penalties in units of 1200 employees for HR modules).

| Teradyne request | Oracle Response |
|---|--|
| Teradyne's contract with Oracle was written in 1996 and needs to be updated, so assume a contract negotiation will be part of the process. Teradyne would like it's support fees to match it's current use of Oracle vs. its licensed quantities. | We are politely declining to re-write the SLSA. Current deal is more favorable than actual counts at e-bus discounts. |
| The definition of an employee from a license perspective will be current W-2 employees (or the equivalent in foreign countries). Former employees, Consultants and third party temporary employees will not apply against Teradyne's Oracle headcount | We are politely declining to re-define any of the standard definitions |
| Teradyne requires the right to annually true down as headcount changes without losing the value of the license | Teradyne sales are down 65% from 2000 and CFO is struggling to match sg&a to revenue. Nonetheless, we will politely decline |
| Teradyne requires the right to annually de-support specific modules with some reasonable re-instatement fee as an option | We have politely declined to change our standard policy |
| In a previous purchase Teradyne purchased three business intelligence modules by mistake. Teradyne requires that Oracle provide some "trade-in" methodology to leverage those purchases into this purchase. | In the 2000 deal for \$6.8M TER bought \$263K of BIS – and didn't mean to. We have declined to adjust the support fee in their favor per previous requests and we are politely declining to consider this request. |
| Teradyne requires a product Warranty with "strict conformance" as a standard to assure that the product works as sold and a remedy that covers all of Teradyne's implementation costs not just the license purchase price. | We are politely declining this change and any others to the definitions in the existing SLSA. |

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: *(fill in rep name and AVP name here)*

Field RM name if submitted by OracleDirect:

R: *(leave blank for HQAPP to fill out)*

C:

L:

A:

BP:

PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION IV – Computer and Admin Services:

(Delete this section if not applicable)

not applicable

SECTION V – Ordering Document Details

Instructions - Fill in all sections completely.

APPROVAL REQUIREMENTS - Refer to the Approval Matrix at <http://esource.oraclecorp.com>

PRICING REQUIREMENTS – Refer to Price List and Price List Supplement for minimums and prerequisites.

PRICING SPREADSHEET – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.

MIGRATIONS - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to <http://nafo.us.oracle.com> under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.

Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.

| General Information | |
|--|---|
| Contract requested by (August 5, 2003): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts. | |
| Opportunity I.D. (OSO Number): | 719023 |
| Is this a ship order? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License): | Direct |
| Is this deal the result of a compliance issue that LMS has been involved in? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Does deal contain new licenses with an <i>approved</i> non-supported license type (i.e. metric is not nor ever has been on Oracle's price list): | Yes <input type="checkbox"/> (specify non-supported license type and eBusiness license type used to determine conversion) No <input checked="" type="checkbox"/> |
| Quote Valid Through (insert date): | |
| Partner (insert name, if applicable)? | Margin or % of net license fees _____ |
| VAD (insert name, if applicable)? | Margin or % of net license fees _____ |
| PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| If yes, specify payment type: | Applications Affiliate Fee ROP Fee (<i>GB Use Only</i>) |
| MIGRATIONS OR UPDATES: | Yes <input type="checkbox"/> No <input type="checkbox"/> |

| | |
|--|--|
| PREMIUM SERVICES: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| INCIDENT PACKS: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Payment Terms: | <input checked="" type="checkbox"/> Net 30 <input type="checkbox"/> Other (Specify) _____ |
| Referenced Agreement: | <input type="checkbox"/> New OLSA <input checked="" type="checkbox"/> Other (Specify) SLSA-31-May- 1990 |

| Customer and Administrative Information – all fields must be filled in | |
|--|---|
| Customer's EXACT Legal Name: | Teradyne Corporation |
| Business Address: | 321 Harrison Street |
| City / State / Zip: | Boston, MA 02118 |
| Customer Contract Admin: | Robert Von Dohlen |
| Phone #: | 617.422.3310 |
| Fax #: | |
| E-mail ID: | Robert.von.dohlen@teradyne.com |
| Billing Contact: | Same as above |
| (Partner/VAD if Indirect): | |
| Address: | |
| City / State / Zip: | |
| Phone #: | |
| Fax #: | |
| E-mail ID: | |
| Tax Status : | Exempt <input type="checkbox"/> (Need certificate for ship to state if not on Oracle's Tax Exemption Log) |
| | Non-Exempt <input checked="" type="checkbox"/> |
| Shipping Contact: | John Doherty |
| Address: | 321 Harrison Street |
| City / State / Zip: | Boston, MA 02118 |
| Phone #: | 617-422-3149 |
| Fax #: | |
| E-mail ID: | John.doherty@teradyne.com |
| Technical Support Contact: | Mark Petter |
| Address: | 179 Lincoln Street |
| City / State / Zip: | Boston, MA 02118 |
| Phone #: | 617.422.2295 |
| Fax #: | |
| Email ID: | Mark.petter@teradyne.com |
| Partner Name (Indirect): | N/A |
| Address: | |
| City / State / Zip: | |
| Contact Admin: | |
| Phone #: | |

| | |
|------------|--|
| Fax #: | |
| E-mail ID: | |

| Education (EPPC) | |
|----------------------------------|------|
| Education Prepaid Credit Amount: | \$ 0 |
| Education Discount: | 0 % |
| Education Revenue: | \$ |
| Education Sales Rep: | |

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PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:

Make: HP

OS: HP/UX

PROGRAMS

Programs being purchased this OD

| Module | Psft Equivalents Owned by Teradyne | Count | Metric | List License Price Per Unit | List License Extd |
|-------------------------|---|--------|----------|--------------------------------------|----------------------|
| Human Resources | Psft HR | 6,800 | person | \$ 50 | \$ 340,000 |
| Advanced Benefits | Psft Benefits | 6,800 | person | \$ 40 | \$ 272,000 |
| Payroll | Psft Payroll | 5,000 | person | \$ 60 | \$ 300,000 |
| Self Service HR | N/A | 6,800 | person | \$ 35 | \$ 238,000 |
| Training Administration | N/A | 3,000 | trainees | \$ 30 | \$ 90,000 |
| iLearning | N/A | 3,000 | trainees | \$ 30 | \$ 90,000 |
| iRecruitment | N/A | 6,800 | person | \$ 50 | \$ 340,000 |
| Oracle Adv SCP | N/A | \$ 200 | COGS | \$ 1,500 | \$ 300,000 |
| Constraint Based Optmzn | N/A | \$ 200 | COGS | \$ 375 | \$ 75,000 |
| Inventory Optimization | N/A | \$ 400 | COGS | \$ 750 | \$ 300,000 |
| Global Order Promising | N/A | \$ 400 | COGS | \$ 300 | \$ 120,000 |
| Collaborative Planning | N/A | \$ 400 | COGS | \$ 500 | \$ 200,000 |
| Total | | | | | \$ 2,665,000 |

Discount Treatment

License

Support

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| | | |
|---------------------------------------|------|--------------------------|
| Human Resources | 100% | 75% (psft like for like) |
| Advanced Benefits | 100% | 75% (psft like for like) |
| Payroll | 100% | 75% (psft like for like) |
| Self Service HR (Manager & Employee) | 75% | 75% |
| Training Admin | 75% | 75% |
| Learning | 75% | 75% |
| Recruitment | 75% | 75% |
| Oracle Advanced Supply Chain Planning | 75% | 75% |
| Constraint Based Optimization | 75% | 75% |
| Inventory Optimization | 75% | 75% |
| Global Order Promising | 75% | 75% |
| Collaborative Planning | 75% | 75% |

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| Applications | | | |
|--|---------------------------------------|---------------------------------------|----|
| Will applications be modified: | Yes | <input checked="" type="checkbox"/> X | No |
| Will users be accessing modified Apps from the web: | Yes | <input checked="" type="checkbox"/> X | No |
| Have all prerequisites been included: | <input checked="" type="checkbox"/> X | Yes | No |
| Will users use Fast Forward RPM: | Yes | <input checked="" type="checkbox"/> X | No |
| Will applications be hosted: | Yes | <input checked="" type="checkbox"/> X | No |
| Indicate database that Apps will run on: | On CSI below, named users | | |
| Indicate CSI for existing prerequisite database and tools: | 3194019 | | |

| Options not requiring HQAPP, Tier 1, or Tier 2 Approval | |
|---|--|
| (1) | |
| (2) | |
| (3) | |
| (4) | |

| Internal Administrative Information | |
|-------------------------------------|--|
| Applications Sales Manager | Jay Buchta |
| Technology Sales Manager | Brett Van Gelder |
| Account Manager | N/A |
| OracleDirect Rep | Tom Bagley |
| Education Sales Rep | |
| Support Renewals Rep | |
| Premium Support Rep | John Higgins |
| Migrations Manager | |
| Is there a teaming agreement? | <input type="checkbox"/> Yes (if yes, list all appropriate reps) <input checked="" type="checkbox"/> X No |
| Requester: | Name: <u>Jay Buchta</u> Business Telephone: <u>781-744-0382</u> Cell Phone: <u>781-710-6109</u> |